

**BUDGET WORK SESSION  
OF THE BRIGHAM CITY COUNCIL  
APRIL 13, 2006  
5:37 P.M.**

PRESENT:	Jon Adams	Councilmember
	Holly Bell	Councilmember
	Alden Farr	Councilmember
	Reese Jensen	Councilmember
	Steve Hill	Councilmember
ALSO PRESENT:	Dennis Sheffield	Director of Finance
	Bruce Leonard	City Administrator
	Paul Tittensor	Chief of Police
	Mary Kate Christensen	City Recorder
EXCUSED:	Lou Ann Christensen	Mayor

The Council scheduled the following dates to hold additional budget work sessions as needed:

Wednesday, April 19 at 5:30 p.m.  
Monday, April 24 at 5:30 p.m.  
Wednesday, April 26, 5:30 p.m.  
Thursday, April 27, 7:00 p.m.  
Monday, May 1, 5:30 p.m.  
Thursday, May 4, 5:30 p.m.

The Council requested that all **Public Works Superintendents and the Library Director be in attendance on April 19 at 5:30 p.m. to discuss their budget.** They requested the **EMS Director, Fire Chief, Ambulance Chief and Police Chief attend the April 24 work session at 5:30 p.m.** to review their budgets.

#### **Fleet Lease**

Councilmember Adams said he is concerned with eliminating the \$925,000 from the fleet lease program. The Mayor referred to it as a dividend in her presentation. She had suggested that the departments not make a lease payment to the fleet fund. She felt this would give the departments a little relief; however, Councilmember Adams said if the money is not going back into their budget, then they are not getting any relief. Another concern is that next year they will have to come up with the payment. Mr. Leonard said it is really not a waiver. The payments are still technically being paid, but out of the fleet. It is a dividend. The fund has built up the cash flow. Mr. Sheffield explained that there was \$1.5M cash in the fleet, and this \$925,000 would bring it down to \$400,000. After subtracting the reserve of \$150,000 for the Fire Department, it brings it down to \$250,000. Councilmember Adams said it will take years to get it built back up again. He did not feel comfortable only having \$200,000-\$300,000 available. If an expensive piece of equipment had to be replaced in an emergency situation, it would use everything in the fund. Mr. Sheffield explained that when he, Mayor Christensen and Mr. Leonard were finishing the budget, they decided this money was available, and that there was enough cash in the fleet lease program to waive the lease payment. By doing this, it enabled them to balance the budget. Mr. Leonard added that technically, it really does help the departments because if this is not done, the Council will have to find the money somewhere else, and this would probably be done by cutting the department budgets. If the Council wants to eliminate this, \$925,000 will have to be found somewhere else in the budget. Councilmember Jensen suggested lowering it rather than eliminating it altogether. After further discussion, the Council agreed to look at keeping the fleet lease fund at \$750,000. They asked **Mr. Sheffield to go through the budget and see what affect this would have on the various departments.**

#### **Merit/Market Increase**

Councilmember Adams said he also has a concern with how the compensation increase is split. The City has a market-based compensation package. This will be the second year that it is not funded based on the market. The City cannot maintain the integrity of the market-based compensation package if this is done. The Consumer Price Index (CPI) has traditionally been used as a percentage. If the CPI is 3%, for example, the City has to adjust the market-based compensation plan 3%. If it is adjusted by only 1.5%, all the employees fall behind and no one will be at market. He recommended using the percentage for market and

then whatever is left be used for merit increases. He said over the past several years, the Council has tried to minimize health insurance premium increases, and every year employees have received an increase. He said he feels strongly that the City needs to fund the compensation package at market. He would like to reverse the split and put 1.4% toward merit and 2.0% toward market.

**Budget Notes** - Councilmember Adams said he would like budget notes in the budget to explain those items that have increased from last year.

**Councilmember Hill's Comments** - Councilmember Hill suggested looking at some positions to see if they are really necessary.

**Utility Rate Increases**

Councilmember Adams said in the Mayor's proposed budget there are some rate increases. He recommended these increases go to the Public Utility Advisory Board for their recommendation. The Council agreed. Mr. Leonard added that they were looking at changing the water rate structure and using more of a block rate. This guarantees enough revenue to operate the system.

**Councilmember Jensen's Comments** - Councilmember Jensen said he noticed that the City is spending 17% on leisure services. He would like to know how this compares to what other cities spend. Mr. Sheffield said this includes the Museum-Gallery, Senior Center, Parks and Recreation. Councilmember Jensen said if things get tight and services need to be cut, this is something he would like the Council to look at.

Councilmember Jensen said he would like to understand how the USU Extension is going to use the \$50,000. He did not want to give them \$50,000 and have them put it in the bank to earn interest. Councilmember Adams said Andy Shinkle had quite a bit of money he has rolled over for two years.

Councilmember Jensen said he would like to know what capital projects were cut. Mr. Sheffield explained that all the requested projects are listed under the "Six Year Capital Projects." He has highlighted what is in the budget.

Another concern Councilmember Jensen had was \$45,000 for studies for building space at City Hall, Library and Museum-Gallery. If the City is not actually planning on moving ahead with a new library, or providing additional space for City staff within the next year or two, he did not want to spend that much money for a study to sit on the shelf and collect dust. Then when the City is actually serious about it, another study would have to be done. Timing is critical.

The meeting adjourned at 7:15 p.m.